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**KWAEBIBIREM MUNICIPAL
ASSEMBLY FINANCIAL STATEMENT
FOR THE YEAR ENDED 31
DECEMBER 2022**

GENERAL INFORMATION

MUNICIPAL CHIEF EXECUTIVE

Hon Seth Antwi Boasiako
Period Appointed: 22nd May 2017

PRESIDING MEMBER

Mr. Lovelace Addo
Period Elected: 6th February 2020

EXECUTIVE MANAGEMENT COMMITTEE

Hon Seth Antwi Boasiako
Mr Eric Abrokwah
Mr Sahnudeen Yakub
Mr Nortey Yinusah
Mr Kyei Antwi Edward
Mr Martin Logah
Madam Juliet Anim
Mr Nana Appiah Daniel
Madam Janet Nyarko
Mr Fred Owusu-Akouwah

MANAGEMENT

Mr F. Owusu-Akouwah, Municipal Coordinating Director
Mr William K. Ompong, Municipal Finance Officer
Mr Emmanuel Setordji, Municipal Budget Officer
Mr Aziz Ahmed, Administrator
Mr Eric K. Tweneboah, HRM
Mr. Appiah Richard Asirifi, Procurement Manager
Mr Solomon Eweh, Internal Auditor
Mr Daniel Asabere, Social Service & Comm. Dev.
Mr Abrokwah Boateng, Information Service Department
Mr Thomas Anwumanyi, Works Department
Miss Nora Oye, Statistical Department
Mr Stephen Asante, Environmental Unit
Mr Emmaneul Agyei, Town And Country Planning
Mr Henry Daniels, Development Planning

BRIEF PROFILE OF KWAEBIBIREM MUNICIPAL ASSEMBLY

The Kwaebibirem Municipal Assembly is one of the 33 Districts in the Eastern Region, with Kade as its capital. Kwaebibirem attained Municipality Status under LI 2270 in November 2017.

ZONAL COUNCILS

The Municipality is subdivided into five (5) Zonal Councils Namely Kade, Asuom, Nkwantanang, Kwae, and Abaam Zonal Councils. These Zonal Councils operate as Sub-Structures of the Municipal Assembly and perform their functions, subject to directives and guidelines of the Assembly. The Municipal Assembly has thirty-nine (39) electoral areas

ADDRESS

Kwaebibirem Municipal Assembly
P.O Box 19,
Kade,
Eastern Region, Ghana.
GPS: EK-0013-6635

AUDITORS

Audit Service

BANKERS

Bank of Ghana
GCB Bank PLC
National Investment Bank

In case of reply the number and date of the letter should be quoted



My Ref. No: ER/DC/29/VOL. 2/19
Tel: 223 (0) 302 664920/28/29
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P.O. Box 409
Koforidua

25 April 2023

INDEPENDENT AUDITOR'S REPORT

THE PRESIDING MEMBER
KWAEBIBIREM MUNICIPAL ASSEMBLY
KADE

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF KWAEBIBIREM MUNICIPAL ASSEMBLY

Report on the financial statements

We have audited the accompanying financial statements of the Kwaebibirem Municipal Assembly (KBMA) which comprise the statement of financial position as at 31 December 2022, the statement of financial performance, the statement of changes in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and supporting schedules.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KBMA as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Ghana.

Basis of Opinion

We conducted our audit in accordance with the International Standards of Supreme Auditing Institutions (ISSAIs). Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of KBMA in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT OF MANAGEMENT RESPONSIBILITIES


The Financial Report of Kwaebibirem Municipal Assembly (KBMA) provides the financial information on a transparent and accessible basis as well as an important element in the overall framework of accountability and financial integrity of KBMA.


The financial statements and associated disclosures have been drawn up in accordance with, the Public Financial Management Act, 2016 Act 921, the Public Financial Management Regulations, 2019 L.I. 2378, the Local Governance Act, 2016 Act 936, as amended by Act 940, the International Public Sector Accounting Standards (IPSAS) and the relevant resolutions adopted by KBMA. Contributions from governments and other sources have been used solely for the purposes for which these were specifically designated. All transactions have been properly documented.

The system of internal control relating to financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the public financial management legal frameworks. This system includes relevant policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements and that receipts and expenditures are executed in accordance with authorisations of management in compliance with the public financial management legal frameworks; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of KBMA's assets.

To the best of our knowledge, the financial statements fairly present KBMA's financial position at 31 December 2022. During the external audit process, Management provided the Audit Service with all relevant information and access as agreed in the terms of the audit engagement.


Seth Antwi Boasiako
Municipal Chief Executive


Fred Owusu-Akokuah
Municipal Coordinating Director
KBMA


William K. Ompong
Municipal Finance Officer
KBMA

Responsibilities of management and those charged with governance for the financial statements

The Municipal Chief Executive (MCE) is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the MCE determines to be necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process of KBMA.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit, in accordance with the ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- b. Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- c. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of KBMA;
- d. All public monies have been expended for the purposes for which they were appropriated and expenditures have been made as authorised;
- e. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the MCE; and
- f. Programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls and compliance with other public legal frameworks that we identified during our audit in a separate audit Management Letter.



**for: AUDITOR-GENERAL
(COUNT ANUKWARE AKPELOO)
ASSISTANT AUDITOR-GENERAL
EASTERN REGION**

**Cc: The Auditor-General(2)
Audit Service
Accra.**

**The Regional Co-ordinating Director
Eastern Regional Coordinating Council
Koforidua**

**The Municipal Chief Executive
Kwaebibirem Municipal Assembly
Kade**

**The Municipal Finance Officer
Kwaebibirem Municipal Assembly
Kade**

**The District Auditor
Audit Service
Asamankese**

FINANCIAL HIGHLIGHTS

The Financial Statements for 2022 was presented in accordance with the public financial legislative requirements and other statutes and the format required under IPSAS. The financial statements also include supplementary information that further explains and supports the information in the financial statements.

The summary highlights and analysis of the Financial Statements of KBMA for the year ended 31 December, 2022 are presented below:

Budget Performance

a. Budgeted receipts

In 2022, the total actual receipts of GH¢9,715,516.47 was lower than the approved budget of GH¢ 11,981,264.17 in 2022. The total receipts of GH¢9,715,516.47 for 2022, compared with GH¢7,590,659.47 received in 2021 showed an increase of GH¢ 2,124,857.00 or 27.99 per cent over the prior year.

b. Budgeted payments

During the period under review, the KBMA approved budget was GH¢11,981,264.17 to spend on approved activities as compared to GH¢10,626,223.88 in 2021. However actual payments came to GH¢8,951,090.30 compared actual receipts of GH¢9,791,516.47 resulting in an overall surplus of GH¢ 840,426.17.

Financial Performance

Revenue

During the period under review, total revenue received by the KBMA amounted to GH¢9,740,335.36 compared with GH¢7,590,659.47 received in the previous year, showing an increase of 28.32 per cent. This increase is attributable to GoG Subvention/Decentralised transfers with the year.

Expenses

Total Expenses incurred by the KBMA in 2022 amounted to GH¢8,296,759.91 as against GH¢7,162,114.34 for the previous year, showing an increase of GH¢1,134,645.57 or 15.84 per cent above the previous year.

Operational results

During the year under review, KBMA recorded a surplus of GH¢1,443,575.56 from its operations as compared to the reported surplus of GH¢428,545.13 in 2021. The increase in the surplus recorded was primarily due to high spending on Capital expenditure during the year over the previous year. The net operational results was accordingly transferred to the Accumulated Fund Balances, resulting in an increase from GH¢44,325.36 in 2021 to GH¢1,949,393.11 as at the end of 2022.

Financial Position

Asset

As at 31st December, 2022, total assets of KBMA stood at GH¢1,989,918.05 as against GH¢367,305.42 recorded in the previous year representing GH¢1,622,612.63 increase. Cash and cash equivalent amounting to GH¢1,207,731.58 constituted 60.69 per cent of the total assets.

Liabilities

Total liabilities stood at GH¢267,026.08 at the end of the year compared with GH¢ 91,935.06 for the previous year, thus an increase of GH¢175,091.02. Outstanding commitment to contractors of GH¢29,372.87 accounted to 11 per cent while trust monies and other payables of GH¢237,653.21 accounted for 89 per cent of total liabilities.

Fund Balances

The KBMA's Fund Balances stood at GH¢1,722,891.97 as at 31 December 2022, compared with GH¢ 443,255.36 as at 31 December 2021 registering an increase of GH¢1,279,636.61 translating to 288.69 per cent. This was due to the surplus for the year 2022 and a prior year adjustment on the payables balance for the year ended 31/12/2021.

KWAEBIBIREM MUNICIPAL ASSEMBLY
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 2022

	Notes	GH¢	
		2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	47	1,207,731.58	367,305.42
Receivables	49	116,704.00	167,885.00
Total current assets		1,324,435.58	535,190.42
Non-current assets			
Property, plant and equipment	50	58,449.93	-
Investment Property		-	-
Work-In-Progress	50	607,032.54	-
Intangible assets		-	-
Total non-current assets		665,482.47	-
TOTAL ASSETS		1,989,918.05	535,190.42
LIABILITIES			
Current liabilities			
Payables to vendors/suppliers	48	40,524.95	91,935.06
Trust Monies/Funds	CIE	226,501.13	-
Total current liabilities		267,026.08	91,935.06
Non-current liabilities			
Borrowings – Long Term		-	-
Trust Monies/Funds		-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		267,026.08	91,935.06
TOTAL NET ASSETS/EQUITY (Total Assets – Total Liabilities)		1,722,891.97	443,255.36
FINANCE BY			
Accumulated fund balance (brought forward)		505,817.55	14,710.23
Net changes in net assets/equity		1,217,074.42	428,545.13
TOTAL NET ASSETS/EQUITY		1,722,891.97	443,255.36

KWAEBIBIREM MUNICIPAL ASSEMBLY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 31ST DECEMBER 2022

	Notes	GH¢	
		2022	2021
REVENUE			
Decentralised Transfers	40	7,591,571.19	4,819,761.80
Internally Generated Funds	34 – 39	932,442.91	1,000,772.07
Donations and Grants	40b	1,216,321.36	1,770,125.60
TOTAL REVENUE		9,740,335.46	7,590,659.47
EXPENDITURE			
Compensation of Employees	41	4,708,018.09	3,719,451.13
Goods and Services	46	3,166,295.27	1,715,905.20
Other Expenditure	43,44	422,446.55	1,726,758.01
TOTAL EXPENDITURE		8,296,759.91	7,162,114.34
SURPLUS/(DEFICIT)		1,443,575.55	428,545.13

KWAEBIBIREM MUNICIPAL ASSEMBLY
STATEMENT OF CHANGES IN NET ASSET AND EQUITY FOR THE
PERIOD ENDED 31ST DECEMBER 2022

	Notes	GH¢			TOTAL
		Accumulated fund balance	Reserves	Asset Revaluation	
Net assets/Equity at 31 December 2021		443,255.36	-	-	443,255.36
Adjustments to opening balance		-	-	-	-
Prior period adjustment	51	62,562.19	-	-	62,562.19
Subtotal: Adjustments to 2021 opening balance		62,562.19	-	-	62,562.19
Adjusted Opening Balance		505,817.55			505,817.55
Net result for current period (Statement II)		1,443,575.55	-	-	1,443,575.55
Trust Monies (MPs CF Balance)		(226,501.13)	-	-	(226,501.13)
Subtotal: Movements during 2022		1,217,074.42	-	-	1,217,074.42
Closing balance at 31 December 2022		1,722,891.97	-	-	1,722,891.97

KWAEBIBIREM MUNICIPAL ASSEMBLY
STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	GH¢	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Decentralised Transfers	40	7,591,571.19	4,819,761.80
Internally Generated Funds	34 – 39	932,442.91	1,000,772.07
Donations and Grants		1,216,321.36	1,770,125.60
Compensation of Employees	41	(4,708,018.09)	(3,719,451.13)
Goods and Services	46	(3,166,295.27)	(1,715,905.20)
Other Expenditure	43,44	(422,446.55)	(1,726,758.01)
Changes in Working Capital:			
Decrease/(Increase) in Receivables		51,181.00	(167,885.00)
(Decrease)/Increase in Payables		(51,410.11)	91,935.06
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,443,346.44	352,595.19
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	50	(58,449.93)	-
Work in Progress	50	(607,032.54)	-
Purchase of intangible assets		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(665,482.47)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		777,863.97	352,595.19
CASH AND CASH EQUIVALENTS: BEGINNING OF PERIOD		367,305.42	14,710.23
Prior year Adjustment	51	62,562.19	-
CASH AND CASH EQUIVALENTS: END OF PERIOD		1,207,731.58	367,305.42

**KWAEBIBIREM MUNICIPAL ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

GENERAL STATEMENT

Reporting Entity

1. The Kwaebibirem Municipal Assembly (KBMA) is one of the 33 Districts in the Eastern Region, with Kade as its capital. Kwaebibirem attained Municipality Status under LI 2270 in November 2017.
2. In preparing the Financial Statements, Management of KBMA takes cognisance of the 1992 Constitution, the Public Financial Management Act 2016 (Act 921) and the Public Financial Management Regulations 2019 (LI 2378), the Local Governance Act, 2016 (Act 936) and any other relevant subsidiary legislations. The 2021 financial statements have been prepared on General Government based on the Appropriation Act 2021 (Act 1069), the resolutions approving the Composite Budget of the Metropolitan, Municipal and District Assemblies (MMDAs), pursuant to Article 179 (2) (a) of the 1992 Constitution of the Republic of Ghana.

SIGNIFICANT ACCOUNTING POLICIES

Policy Statement on IPSAS adoption

3. The adoption of IPSAS in Ghana was launched by the then Minister of Finance and a formal declaration was made in the 2015 budget and economic policy presented to Parliament in November, 2014. An implementation plan for IPSAS (Accrual basis) was launched on 24th November, 2018 in line with the Public Financial Management Act 2016 (Act 921).
4. The general Government of Ghana financial statement with the aim towards full accrual adopted and approved is the Modified Accrual Basis of accounting.

Basis of preparation

5. The financial statements and accompanying schedules and notes are prepared on the Modified Accrual basis of accounting, in accordance with the International Public Sector Accounting Standards (IPSAS).
6. The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.
7. The statements, accompanying notes and appendices consolidate the administrative and operational activities of KBMA, unless otherwise stated.
8. The Financial Statements are presented in Ghana Cedis.

KWAEBIREM MUNICIPAL ASSEMBLY									
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2022									
	Original GH¢	2022 Revision GH¢	Update GH¢	2022 Actual GH¢	2022 Budget Variance GH¢	2021 Budget GH¢	2021 Actual GH¢	2021 Budget Variance GH¢	
RECEIPTS									
Decentralised Transfer	9,952,769.51	10,765,542.25	10,765,542.25	8,807,892.55	1,957,649.70	9,602,748.88	6,589,887.40	3,012,861.48	
Internally Generated Fund	1,280,747.00	1,215,721.92	1,215,721.92	932,442.91	283,279.01	1,023,475.00	1,000,772.07	22,702.93	
Donation and Grants	-	-	-	-	-	-	-	-	
TOTAL RECEIPTS	11,233,516.51	11,981,264.17	11,981,264.17	9,740,335.46	2,240,928.71	10,626,223.88	7,570,659.47	3,035,564.41	
PAYMENTS									
Compensation of Employees	3,113,298.80	3,913,590.84	3,913,590.84	4,708,018.09	(794,427.25)	3,634,622.76	3,719,451.13	(84,828.37)	
Goods and Services	3,528,826.18	3,553,266.06	3,553,266.06	3,166,295.27	386,970.79	3,098,374.12	1,715,905.20	1,382,468.92	
Other Expenditure	4,591,391.53	4,514,407.27	4,514,407.27	422,446.55	4,091,960.72	3,893,227.00	1,726,758.01	2,166,468.91	
TOTAL PAYMENTS	11,233,516.51	11,981,264.17	11,981,264.17	8,296,759.91	3,684,503.72	10,626,223.88	7,162,114.34	3,464,109.54	
TOTAL SURPLUS/DEFICIT	-	-	-	1,443,575.55	(1,443,575.55)	-	428,545.13	(428,545.13)	
Net Accrual Adjustments				-			-		
Total on full accruals (IPSAS) basis				1,443,575.55			428,545.13		

Measurement base

9. The accounting principles adopted for the measurement and reporting of the financial performance and financial position on a modified accrual basis use historical costs or fair values, as appropriate, in the preparation of these statements.

10. The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied.

Revenue

11. The BSDA reports revenue in the period in which they are earned. Revenues from non-exchange transactions, such as direct and indirect taxes are recognized when earned. Non-exchange transaction is one in which the reporting entity receives something of value without directly giving value in exchange. However, exchange transactions are those in which the entities sell goods or services in exchange for a consideration. Revenue comprises the fair value of consideration received or receivable for the sale of goods or services.

12. The reported revenue in the Statement of financial performance is the principal sources, comprising the Decentralised Transfers, Internally Generated Funds, Donations and Grants as provided in Section 124 of the Local Governance Act, 2016 (Act 936)

Expenditure

13. The reported expenditure in the Financial Statements is recognised when confirmation is obtained that goods and services (including agreed services provided by vendors) have been delivered or provided.

a) The reported expenditure in the financial performance is recognised when incurred and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

b) Compensation of employees include international, national and general temporary staff salaries of public sector employees. The allowances and benefits include other staff entitlements, such as pension contributions and payments and other salary related allowances.

c) Use of Goods and services comprise of recurrent expenses incurred as a result of goods received and services rendered to public entities.

d) Interest expenses are finance costs incurred on loans acquired on domestic and external debts for the period.

e) Social benefits are expenses incurred as a result of social interventions carried out to benefit certain persons, communities and class of people in the society.

Other expenditure includes contributions, professional fees, donations, court expenses, scholarships, bursaries, awards and rewards

Foreign currency transactions

14. All transactions, if any, occurring in other currencies are translated into Ghana Cedis using the exchange rates prevailing at the date of the transaction. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the currency translation at the reporting date are recognised in the financial statements.

Cash and cash equivalents

15. Cash and cash equivalents include cash on hand and deposits held at call with banks for periods of less than 90 days.

Short-term investments

16. Financial assets recognition and measurement, including cash, short-term deposits and investments are classified as fair value through surplus or deficit and measured at fair value as at the reporting date. Realized and unrealized gains or losses arising from the change of market value of investments and revenue from interest and dividends are recognized in the consolidated statement of financial performance in the period in which they arise. The interest earned is credited to the appropriate source of revenue. Financial assets with maturities of more than 12 months or not expected to be realized within 12 months at the reporting date are categorized as non-current assets.

Receivables

17. Receivables are recorded at their estimated realisable value after providing for doubtful and uncollectible debts. A provision for doubtful receivables related to be determined and where a request is made to Parliament for write off. Amounts due for more than 12 months after the reporting date in accordance with payment plans are classified as non-current receivables.

18. Any advances (or down payments) paid to suppliers, implementing partners, staff and others are recorded as receivables to KBMA until the goods are received, services performed, or the amounts repaid, as appropriate.

Inventory

19. The cost of inventory is valued at the lower of cost or current replacement cost.

Property, plant and equipment

Property, plant and equipment acquired during the year are capitalised and shown in the Statement of Financial Performance and depreciation is not charged in the year of acquisition and disposal. The fixed assets capitalized must have been depreciated using the straight-line method with the approved depreciation policy rates.

20. Depreciation of assets (other than land) is calculated on a straight-line (i.e. even) basis over their estimated useful lives, as shown in the table below

Asset Class	Estimated Useful Life
Land	No Depreciation
Buildings	50 years
Other Structures	20 years
Vehicles	5 years
Office Equipment/ Communication and ICT	7 years
Furniture and Fixtures	10 years
Computer Software/Accessories	5 years
Other Machinery and Equipment- Plant/ Earthmoving machinery and Equipment	10 years

Investment Property

21. Investment property is property (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation, or both, rather than for:

- (a) Use in the production or supply of goods or services, or for administrative purposes; or
- (b) Sale in the ordinary course of operations.

22. Therefore, investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from other land or buildings controlled by Central Government entities, including owner- occupied property. The production or supply of goods or services (or the use of property for administrative purposes) can also generate cash flows.

23. Investment property should be recognized as an asset when and only when:

- (a) it is probable that the future economic benefits will flow to BSDA; and
- (b) the cost or fair value of the investment property can be measured reliably.

24. Investment property should be measured initially at cost (which includes transaction costs). Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Intangible assets

25. Intangible assets principally consist of purchased computer software, and internally developed software. Intangible assets have been recognized in accordance with the transition provisions in IPSAS. Costs incurred prior to this date were previously expensed.

26. Intangible assets are carried at cost less accumulated amortization and impairment. Donated intangible assets, if any, are recognized at cost, using the fair value at acquisition date.

27. Amortization is calculated on a straight-line basis over the estimated useful lives of the intangible assets.

Asset class	Estimated useful life
Purchased Software	7 years
Internally Developed Software	7 years
Software under development	Not amortized

28. Amortization is calculated from the date of acquisition for purchased software and from the date of roll-out for internally developed software. Gains or losses on disposal, determined by comparing the proceeds, if any, with the carrying amounts, are recognized in the Statement of financial performance.

Payables to suppliers

29. As a rule, KBMA pays for goods and services after the goods are received and services provided. They are recorded simultaneously as an expense and an obligation payable to the supplier. This payable category includes accrued expense provisions raised for material consumption-based services (e.g. communications and utilities costs) for which the billing is received beyond 31 December and the costs can be reliably estimated based on recent supplier billings.

Work-in-Progress

30. Work-in progress and preliminary expenditure is the accumulated historical cost of various capital related projects. The income accrued in respect of these projects is shown in the Statement of Financial Position (Balance Sheet) as 'Income WIP'.

Borrowings

31. Borrowings and Loans if any are recognised when received and interests are accrued as per the terms and conditions of the loan. Domestic loans are classified into short term (less than one year), medium term (more than one year but less or equal to four years) and long term (more than four years) according to the date of maturity or repayment.

Heritage assets

32. Heritage assets are recognized in the financial statements, but significant heritage asset transactions are disclosed in the notes thereto. Assets are categorized as heritage assets because of their cultural, educational, religious or historical significance. The Government of Ghana heritage assets comprise but not limited to works of art, culture, historical monuments, books and a statue. They were acquired over many years by various means, including purchase, donation and bequest. The heritage assets are not used in the delivery of services relating to the Government of Ghana's institutes or programmes; in accordance with the accounting policy of government, heritage assets are recognized and presented separately on the statement of financial position when the appropriate valuation can be ascertained.

Advance receipts and other liabilities

33. Advance receipts and other liabilities consist of payments received in advance relating to exchange transactions, liabilities for conditional funding arrangements and other deferred revenue. For example, trust funds, donor or grant funds with conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	ACTUALS	ACTUALS
	2022	2021
	GH¢	GH¢
<u>34. RATES</u>		
Basic Rates	300.00	-
Property Rates	130,987.08	154,703.79
Property Rates/BOP Arrears	-	167,885.00
	131,287.08	322,588.79
<u>35. LANDS AND CONCESSIONS</u>		
Stool Lands	80,000.00	121,120.00
Building Permit (Jacket)	4,900.00	4,800.00
Building Plans/ Permit	77,501.40	51,894.00
Communication mast	-	-
	162,401.40	177,814.00
<u>36. PROPERTY INCOME</u>		
Water Systems	124,547.32	19,205.67
Assembly building	30,324.00	960.00
Assembly Stores and stalls	26,285.00	45,949.00
	181,156.32	66,114.67

